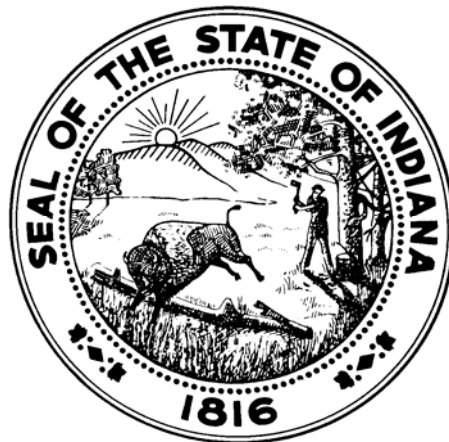


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

REVIEW REPORT  
OF  
INDIANA HORSE RACING COMMISSION  
March 1, 2003 to April 30, 2006



**FILED**  
08/24/2006



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#### AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Joseph Gorajec	07-01-97 to 06-30-07
Chairman	Richard Darko	04-16-02 to 09-01-04
	Jim Lauck	09-02-04 to 03-31-05
	Sarah McNaught	04-01-05 to 01-11-09



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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA HORSE RACING COMMISSION

We have reviewed the receipts, disbursements, and assets of the Indiana Horse Racing Commission for the period of March 1, 2003 to April 30, 2006. The Indiana Horse Racing Commission's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Indiana Horse Racing Commission are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

June 27, 2006

INDIANA HORSE RACING COMMISSION  
REVIEW COMMENTS  
APRIL 30, 2006

DAILY DEPOSITS

As stated in our three prior audit reports (B07064, B14251 and B20963), the Indiana Horse Racing Commission did not consistently deposit receipts within the following business day after receipt of funds.

Indiana Code 5-13-6-1(b) states in part: "... all public funds ... shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

FIXED ASSET INVENTORY

As stated in our three prior audit reports (B07064, B14251 and B20963 ), the fixed asset inventory of the Indiana Horse Racing Commission is not complete as to additions and a physical inventory has not been taken and compared to the master listing and the agency's listing.

Each state agency is required to report to the Auditor of State all additions and retirements of assets with a cost of \$20,000 or more. Assets costing more than \$500 but less than \$20,000 must be maintained on an asset control system at the agency. Once a year, after receiving a Fixed Asset Master Listing, a physical inventory is to be taken and compared to the Master Listing and the agency's listing of assets from their asset control system. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 10)

SDO ADVANCE TURNOVER

All five Special Disbursing Officer Fund (SDO) advances for the Indiana Horse Racing Commission were not turned over, or reimbursed completely, for several months.

If you are not using your total SDO advance within one or two months then your SDO advance is too large and should be reduced. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

INDIANA HORSE RACING COMMISSION  
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2006, with Joseph Gorajec, Executive Director; and Wendy Samuelson-Dull, Controller. The official response has been made a part of this report and may be found on page 6.




# Indiana Horse Racing Commission State of Indiana


Mitchell E. Daniels, Jr., Governor

[www.in.gov/ihrc](http://www.in.gov/ihrc)

TO: Bruce A Hartman, State Examiner  
State Board of Accounts

FROM:  Joe Gorajec  
Executive Director

DATE: August 9, 2006

RE:  Official Response to Audit Results and Comments for the  
Period 03/1/2003 through 04/30/06

In response to the audit exit conference held on July 31, 2006 the Indiana Horse Racing Commission staff would like to present the following information:

1) DAILY DEPOSITS

As stated in our previous audit response, the IHRC will continue to make every effort to deposit funds the following business day. Due to the unusual business hours at the tracks, there was a delay in making some of the deposits.

2) FIXED ASSET INVENTORY

The Commission staff concurs with this finding. The IHRC Controller has been working on updating the agency's fixed asset inventory. With the mandatory PeopleSoft system in place, all inventories should be housed and updated automatically.

3) SDO ADVANCE TURNOVER

The IHRC Controller is currently evaluating all SDO accounts and determining what the correct advancement should be. Prior to the present audit, one SDO account was closed out due to inactivity.